

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

June 3, 1998

COMMUNITY SERVICE TELEPHONE COMPANY
Propose Rates for Intrastate Access
Service

ORDER APPROVING ACCESS
RATES
Docket No. 98-119

TELEPHONE ASSOCIATION OF MAINE
Request for Waiver or Deferral of
Deadline for the 1998 Decrease in
Access Rates

ORDER APPROVING WAIVER
OF 40% REDUCTION
REQUIREMENT
Docket No. 98-157

WELCH, Chairman; NUGENT, Commissioner

On February 10, 1998, Community Service Telephone Company (CST) filed its own access charges. CST has previously concurred in the access rates of New England Telephone and Telegraph Company d/b/a Bell Atlantic-Maine (BA-ME), but BA-ME notified CST (and all other independent telephone companies (ITCs)) that it would not renew the existing settlements contracts between itself and the ITCs. In the absence of a settlements agreement, concurrence is not appropriate. A more detailed description of the events leading to separate access charges by the ITCs is provided in our May 26, 1998 Order in Docket Nos. 97-959 et al. We have reviewed CST's filing and have determined that it uses a reasonable methodology for calculating the amount that CST has stated the access charges will produce, i.e., present settlements levels. We find that CTC's rates are reasonable and approve them.

Section 8(B) of Chapter 280 requires "other LECs" to concur in the switched access and applicable private line and special access schedules of Bell Atlantic. That requirement of the Rule was based on an assumption that settlements of toll revenues between Bell Atlantic and the ITCs would continue. The assumption is no longer valid, and we therefore grant a waiver from this requirement pursuant to Chapter 280, § 15.

Separately, Chapter 280 § 8(J)(2)(c) requires local exchange carriers, by May 30, 1998, to reduce their access rates by at least 40% of the difference between their existing levels and the rates that subsection J(2)(d) requires to be in effect by May 30, 1999, i.e. the "level of interstate access rates (or interstate NECA pool disbursements)." On February 27, 1998, the Telephone Association of Maine (TAM), on behalf of several ITCs, including CST, requested a waiver of the 40% reduction requirement of section 8(J)(2)(c). Since that time, all ITCs other than CST have stated that they no longer wish to pursue the waiver

request. CST, in a letter filed on May 21, 1998, states that even using the second alternative permitted by subsection J(2)(d)(the NECA disbursements alternative), the 40% reduction amount would equal an annual revenue reduction more than \$300,000, or about \$2.40 per access line. CST notes that it has undergone recent revenue reductions pursuant to decisions in *Public Utilities Commission, Investigation into Rates of Community Service Telephone Company*, Docket No. 96-532, and that it anticipates a termination of the EAS agreements with Bell Atlantic, which will result in a further revenue reduction. CST requests the waiver "in order to provide a sufficient opportunity to address the issue of the additional revenue losses resulting from the reduction of access rates in a thoughtful and comprehensive fashion"

We grant the waiver as requested for the reasons stated, but note that CST is still required by May 30, 1999 to reduce access charges to the ultimate level required by Chapter 280 § 8(J)(2)(d). Granting the waiver produces a potential for greater rate shock to customers. We therefore urge CST to address its revenue problem comprehensively and expeditiously. We note also, as we indicated in the Order in Docket Nos. 97-959 et al., that we will address the question raised by Bell Atlantic about the validity of the NECA disbursements alternative under section (J)(2)(d); a ruling that the second alternative is invalid and that access providers must reduce their intrastate access rates to the level of interstate rates (the first alternative under section 8(J)(2)(d)) may require a greater revenue ultimate reduction.

Wherefore we,

O R D E R

1. That the suspension on March 15, 1998, issued pursuant to 35-A M.R.S.A. § 310, is lifted and the access charge filing of Community Service Telephone Company consisting of Access Service Sheet 2, Original, is hereby approved; pursuant to 35-A M.R.S.A. § 309(2), the rates shall be effective on May 30, 1998.

2. Pursuant to our authority in Chapter 280 § 15 to exempt or waive, for good cause, any requirement of Chapter 280, we waive the requirement of Section 8(C) that Community Service Telephone Company concur in the access schedules of New England Telephone and Telegraph Company (NET) d/b/a Bell Atlantic-Maine. We grant the waiver because that requirement was predicated on the assumption that NET and the independent telephone companies (ITCs) named in this Order would continue the settlements of toll revenues. Because NET has canceled the settlements contracts

between itself and Community Service Telephone Company, the requirement is no longer valid.

3. Pursuant to our authority in Chapter 280 § 15 to exempt or waive any requirement of Chapter 280, for the reasons stated above in this Order, we waive the requirement of Section 8 (J)(2)(c) that Community Service Telephone Company reduce its access rates to 40% of the difference between its existing level and the rates that subsection J(2)(d) requires to be in effect by May 30, 1999.

Dated at Augusta, Maine this 3rd day of June, 1998.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.